

Senate Engrossed

FILED

**JANICE K. BREWER
SECRETARY OF STATE**

State of Arizona
Senate
Forty-eighth Legislature
Second Regular Session
2008

CHAPTER 201

SENATE BILL 1489

AN ACT

REPEALING SECTIONS 35-319, 38-716 AND 38-848.02, ARIZONA REVISED STATUTES;
AMENDING TITLE 35, CHAPTER 2, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 7;
RELATING TO TERRORISM COUNTRY DIVESTMENTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Repeal

3 Sections 35-319, 38-716 and 38-848.02, Arizona Revised Statutes, are
4 repealed.

5 Sec. 2. Title 35, chapter 2, Arizona Revised Statutes, is amended by
6 adding article 7, to read:

7 ARTICLE 7. TERRORISM COUNTRY DIVESTMENTS

8 35-391. State treasurer and retirement system divestments;
9 policy notices

10 A. THE STATE BOARD OF INVESTMENT, THE ARIZONA STATE RETIREMENT SYSTEM
11 AND THE FUND MANAGER OF THE PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM SHALL
12 EACH ADOPT A POLICY, AND SUBMIT A COPY OF THE POLICY TO THE PRESIDENT OF THE
13 SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, REGARDING THE
14 COUNTRIES IDENTIFIED AS THOSE COUNTRIES CURRENTLY DESIGNATED BY THE UNITED
15 STATES DEPARTMENT OF STATE AS STATE SPONSORS OF TERRORISM. THE POLICY SHALL
16 INCLUDE:

17 1. THE PROCEDURE TO IDENTIFY UNITED STATES COMPANIES THAT ARE IN
18 VIOLATION OF SECTION 6(j) OF THE EXPORT ADMINISTRATION ACT.

19 2. THE PROCESS FOR COMMUNICATING WITH THE COMPANIES AND APPROPRIATE
20 FEDERAL OFFICIALS, INCLUDING THIS STATE'S CONGRESSIONAL DELEGATION, IN REGARD
21 TO ITS FINDINGS PURSUANT TO THIS SECTION.

22 3. THE PROCESS FOR DIVESTMENT FROM THE COMPANIES THAT ARE IDENTIFIED
23 PURSUANT TO PARAGRAPH 1.

24 B. THE STATE TREASURER, THE ARIZONA STATE RETIREMENT SYSTEM AND THE
25 FUND MANAGER OF THE PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM SHALL DIVEST
26 FROM THOSE COMPANIES, BASED ON PUBLIC INFORMATION, IDENTIFIED PURSUANT TO
27 SUBSECTION A, PARAGRAPH 1.

28 C. THE STATE TREASURER, THE ARIZONA STATE RETIREMENT SYSTEM AND THE
29 FUND MANAGER SHALL NOTIFY THE GOVERNOR, THE PRESIDENT OF THE SENATE, THE
30 SPEAKER OF THE HOUSE OF REPRESENTATIVES, THE DIRECTOR OF THE DEPARTMENT OF
31 ADMINISTRATION AND EACH OTHER OF ANY DIVESTMENTS AND THE REASONS FOR THE
32 DIVESTMENTS.

33 D. WITHIN FOURTEEN DAYS AFTER RECEIPT OF THE NOTICE PURSUANT TO
34 SUBSECTION C, THE DIRECTOR OF THE DEPARTMENT OF ADMINISTRATION SHALL SEND
35 NOTICE TO THE COMPANY INDICATING THAT THIS STATE AND ITS POLITICAL
36 SUBDIVISIONS ARE PROHIBITED FROM PURCHASING ANY PRODUCT OR SERVICE FROM THE
37 COMPANY UNTIL THE COMPANY IS NO LONGER IDENTIFIED PURSUANT TO SUBSECTION A,
38 PARAGRAPH 1.

39 E. THE PROHIBITION IN SUBSECTION D DOES NOT APPLY TO ANY EXISTING
40 CONTRACT BUT DOES APPLY TO ANY RENEWAL OF A CONTRACT.

41 F. THIS SECTION APPLIES TO ALL AFFILIATED COMPANIES AND SUBSIDIARIES
42 OF THE COMPANY.

1 Sec. 3. State board of investment and retirement systems;
2 divestment policy; submission

3 On or before January 31, 2009, the state board of investment, the
4 Arizona state retirement system and the fund manager of the public safety
5 personnel retirement system shall submit a copy of the policy adopted
6 pursuant to section 35-391, Arizona Revised Statutes, as added by this act,
7 to the president of the senate and the speaker of the house of
8 representatives.

9 Sec. 4. Appropriation; Arizona state retirement system;
10 exemption

11 A. The sum of \$60,000 and one-half FTE are appropriated from the
12 Arizona state retirement system administration account in fiscal year
13 2008-2009 to the Arizona state retirement system for the administrative
14 implementation of this act.

15 B. The appropriation made in subsection A of this section is exempt
16 from the provisions of section 35-190, Arizona Revised Statutes, relating to
17 lapsing of appropriations.

APPROVED BY THE GOVERNOR MAY 12, 2008.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 12, 2008.